


# Memo

**To:** Board of Managers  
**From:** Michael Younes, Director of Municipal Operations   
**CC:** Shana Davis-Cook, Village Manager  
John Fitzgerald, Chief of Police  
**Date:** 11/5/2014  
**Re:** Automated Traffic Enforcement System (Speed Cameras) Contract  
Amendment and Extension Request

---

## **Background**

The Village's contract for its automated traffic enforcement, collection and violations processing system is nearing the end of its initial contract term. During the initial contract term the Contractor's overall work product and responsiveness have been very satisfactory.

## **Contract Amendments**

This past year the Maryland legislature passed HB929/SB350 (Speed Monitoring Systems Reform Act of 2014) resulting in changes to the law governing the operation of automated speed enforcement programs (speed cameras). As required by the law, the following new provisions must be incorporated into our contract:

- Designation of a Program Administrator
- Liquidated Damages for Erroneous Violations
- Termination for Erroneous Violations
- Required Reporting
- Required Procedures for Public Inspection of Questions/Concerns and Responses

In addition to incorporating these items into a proposed revised contract, staff has also renegotiated the compensation amounts, to account for current and future estimated declines in the number of speed citations. Currently, the Village's contract stipulates a total fee of \$58,000 per month for the operation of four cameras along Connecticut Avenue.

In order to maximize the amount of contract savings, staff believes that it is in the Village's best interest to exercise both extension years in addition to a third extension year. Accordingly staff was able to negotiate a step down monthly fee reducing our contract fee by 10% in the first extension year (January 1-December 31, 2015), 15% in extension year two (January 1-December 31, 2016) and 20% in the third extension year (January 1-December 31, 2017).

Unfortunately, if the contract was only extended for two (2) years, the Contractor would only agree to reduction of 4.5%. As part of the negotiation, the Contractor revised their number to 10% for the two (2) option years.

The Contractor further stated that if the contract was extended for a third option year, they would be agreeable to further contract savings. Based on the Contractors agreement to further discount its services, staff is recommending a three (3) year contract extension.

### **Staff Recommendation**

Staff recommends that the Village amend and extend its contract based on the above criteria with Xerox State and Local Solutions, Inc.

### **Board Action**

If the Board concurs with staff's recommendation, a super majority of the Board (at least five members) must authorize the Village Manager to amend the contract as outlined above and to extend the initial contract term for an additional three (3) years with Xerox State and Local Solutions, Inc. The extended contract term would run from January 1, 2015 through December 31, 2017.

**Draft Motion:** *I move to **APPROVE/DENY** staff's recommendation to authorize the Village Manager to amend the contract as outlined in staff's report and to extend the contract term for an additional three (3) years with Xerox State and Local Solutions, Inc.*

Alternatively, if the Board feels that the contract should be re-bid, staff will prepare bidding documents for solicitation and a new contract award would be placed on the Board's agenda at a later date.

### **Attachment**

- 1) Draft Contract Amendment

## FIRST AMENDMENT TO SERVICES CONTRACT

THIS FIRST AMENDMENT TO THE SERVICES CONTRACT (the "Amendment"), is made and entered into this \_\_\_\_ day of \_\_\_\_ 2014, by and between CHEVY CHASE VILLAGE, a municipal corporation organized and existing under the laws of the State of Maryland, hereinafter referred to as the "Village", and XEROX STATE & LOCAL SOLUTIONS, INC., having an address at 12410 Milestone Center Drive, Germantown, Maryland 20876, hereinafter referred to as the "Contractor". The Village and the Contractor may sometimes hereinafter be referred to as a "Party" or collectively as the "Parties."

### RECITALS

WHEREAS, the Village and the Contractor entered into a Contract dated December 31, 2011 (the "Contract") whereby the Contractor agreed to provide an automated traffic enforcement, collection and violation processing system to the Village for a period of three (3) years; and

WHEREAS, upon expiration of the Contract the Village has the option thereunder to extend the Contract for up to two one-year periods; and

WHEREAS, the Village has determined that it is in its best interest, and that there is good cause, to extend the Contract for a third additional one-year period; and

WHEREAS, the Contractor has agreed to extend the Contract on the same terms and conditions, except as otherwise set out herein, for a third additional one year period; and

WHEREAS, the Village desires to exercise its option to engage the Contractor to provide the aforementioned services to the Village for an additional three-year period with work to commence on January 1, 2015 and end on December 31, 2017; and

WHEREAS, the Parties intend to amend the several provisions and amount of compensation payable under the Contract; and

WHEREAS, the Parties have agreed to amend the Contract in accordance with Paragraph 35 thereof to reflect the change in provisions and amount of compensation.

**NOW, THEREFORE**, for and in consideration of the mutual obligations herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby covenant and agree as follows:

1. **Recitals.** The recitals set forth hereinabove are hereby incorporated into this Amendment the same as if fully set forth herein below.
2. Paragraph 40 of the Contract, entitled "PROJECT MANAGER", is hereby repealed in its entirety and shall be replaced with the following language:

40. PROGRAM ADMINISTRATOR. For the purposes of this contract, the Village Program Administrator shall be Police Sergeant Eric Tiedemann, 5906 Connecticut Avenue, Chevy Chase, Maryland 20815 - (301) 654-7300 or such other person as may be designated by the Village Manager.

3. Paragraph 41, entitled "Liquidated Damages For Erroneous Violations", is added to the Contract to read as follows:

41. LIQUIDATED DAMAGES FOR ERRONEOUS VIOLATIONS. For potential violations submitted by the Contractor for review by the Village, if more than 5% of the violations in a calendar year (January 1 through December 31) are erroneous violations as defined by the Maryland Annotated Code, Transportation Article, §21-809, then the Contractor shall be subject to liquidated damages for each erroneous violation equal to 50% of the fine amount for the erroneous violation, plus any reimbursements paid by the Village.

4. Paragraph 42, entitled "Termination for Erroneous Violations", is added to the Contract to read as follows:

42. TERMINATION FOR ERRONEOUS VIOLATIONS. The Village may terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination if the Contractor violates the Contract by submitting erroneous violations, as defined by the Maryland Annotated Code, Transportation Article, §21-809, to the Village that exceed 5% of the total violations submitted for review by the Village:

- in any two quarters of the same calendar year (January 1 through December 31), or
- in any two consecutive quarters regardless of whether or not they fall in the same calendar year (January 1 through December 31).

If the Contract is terminated by the Village as provided in this paragraph, the Contractor will be paid on a pro-rata basis for work satisfactorily performed. The termination will apply to all services, including collections.

5. Paragraph 43, entitled "Required Reporting", is added to the Contract to read as follows:

43. REQUIRED REPORTING. As required by the Maryland Annotated Code, Transportation Article, §21-809, the Village is required to report for the previous fiscal year (July 1 through June 30) several data elements of its speed monitoring system program to the Maryland Police Training Commission. In preparation for the report, the Contractor shall be required to deliver the following elements to the Village Program Administrator no later than August 31 of each year:

- The total number of citations issued; and
- The number of citations issued and the number voided as erroneous violations for each camera; and
- The type of speed monitoring system used by the Village; and

- The locations at which each speed monitoring system was used in the Village; and
- The activation start and stop dates of each speed monitoring system for each location at which it was used; and
- The number of citations issued by each speed monitoring system at each location; and
- The gross revenue generated by the program; and
- The total amount of any payments made to a contractor under the program.

6. Paragraph 44, entitled "Requests for Information", is added to the Contract to read as follows:

44. REQUESTS FOR INFORMATION. Contractor shall assist the Village in responding to complaints and questions received by the designee appointed by the Village as required by Section 21-809(b)(1)(ix) of the Transportation Article, Annotated Code of Maryland. Contractor shall respond with relevant information in its possession within 3 business days of the designee's request.

7. Exhibit C to the Contract, entitled "Schedule of Rates", is hereby repealed in its entirety and shall be replaced with the following language:

### EXHIBIT C

#### SCHEDULE OF RATES

Service	Billable Rate	Duration
Speed Cameras Services	\$13,050 per four (4) operating cameras, for a total of \$52,220 per month	January 1, 2015 – December 31, 2015
	\$12,325 per four (4) operating cameras, for a total of \$49,300 per month	January 1, 2016 – December 31, 2016
	\$11,600 per four (4) operating cameras, for a total of \$46,400 per month	January 1, 2017 – December 31, 2017
Delinquent Collection Services	30% contingency fee of the total amount actually collected for each delinquent citation	January 1, 2015 – December 31, 2017
Credit Card Processing Fee	\$2.00 charge for citations paid by credit card	January 1, 2015 – December 31, 2017

8. **Conflict.** To the extent any terms and conditions of this Amendment conflict with the terms of the Contract, the terms of this Amendment shall prevail.

9. **Governing Law.** This Amendment is executed in the State of Maryland and shall be interpreted, construed, and governed according to the laws of the State of Maryland.

10. **Full Force & Effect.** Except as amended hereby, the Contract in all other respects, is ratified and confirmed. All other provisions of the Agreement of Lease remain unmodified and in full force and effect.

11. **Counterparts.** This Amendment may be executed in any number of counterparts and/or by facsimile, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

12. **Authorization.** The undersigned agent of the Contractor represents and warrants that he is duly authorized to execute this Amendment on behalf of the Contractor.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the day and year first written above.

**CONTRACTOR:**

XEROX STATE & LOCAL SOLUTIONS, INC.

**CHEVY CHASE VILLAGE:**

By: \_\_\_\_\_ (SEAL)  
Allen Shutt, Vice President

By: \_\_\_\_\_ (SEAL)  
Shana R. Davis-Cook, Village Manager

Approved as to form and legal sufficiency:

\_\_\_\_\_  
Suellen M. Ferguson, Village Counsel

